

**Watertown Local Development Corporation
Regular Board Meeting
Thursday, November 15, 2007**

The Watertown Local Development Corporation held its regular board meeting on Thursday, November 15, 2007 at 1:30 p.m. in the office of the WLDC, 82 Public Square, Watertown, New York.

MEMBERS PRESENT - Douglas Schelleng, Mary Corriveau, Lyle Eaton representative of James Fayle, Jim Mills representative of Jeffrey Graham, Jenna Cleaves, Jennifer Huttemann-Kall

EXCUSED - Mayor Jeffrey Graham, James Fayle, Mark Bellinger

OTHERS PRESENT - Donald Rutherford, Executive Director/CEO; Kim Taylor, Executive Assistant; Jessica Cain, WWNY TV7; Rachel Hanley, Watertown Daily Times

CALL TO ORDER - President Schelleng called the meeting to order at 1:30 p.m.

MINUTES – A motion was made by Mrs. Corriveau to approve the minutes as presented, seconded by Mrs. Cleaves. All in favor. Approved.

FINANCIAL REPORT

October WLDC Financial Report – Mr. Rutherford reviewed the financial report for the month ending October 31, 2007. Mrs. Corriveau made a motion to approve the financial report, seconded by Mr. Eaton. All in favor. Approved.

October Loan Summary Report – Mr. Rutherford stated that #22 is 60 days past due. Mr. Rutherford stated the client will attempt to keep the account current within the 60 day time frame.

Public Square Financial Report – Mr. Rutherford reviewed the financial report for the month ending October 31, 2007. A motion was made Mrs. Corriveau to approve the financial report, seconded by Mrs. Cleaves. All in favor. Approved.

CORRESPONDENCE – None

COMMITTEES

Loan Review & Eligibility Committee

Knowlton Technologies, LLC - The Loan Review Committee met and recommends approval of a loan in the amount of \$337,500 to Knowlton Technologies LLC to purchase the assets of Knowlton Specialty Papers, Inc. Total project is \$15,900,000 with the retention of 101 jobs, creation of 10 new positions over a five year period. The NCA, DANC and JCIDA have been requested to participate in the financing and the loan is contingent upon financing from all agencies.

Counsel Heary recommends a leasehold mortgage in the event of restructuring. Counsel Heary stated that the WLDC would gain control of the real estate and the leasehold mortgage would lock in the lease terms.

A motion was made by Mrs. Corriveau to approve a loan in the amount of \$337,500 and the assumption of all outstanding WLDC debt of Knowlton Specialty Papers, Inc. to Knowlton Technologies, LLC to purchase the assets of Knowlton Specialty Papers, Inc. with the following terms and conditions: 10 year amortization with a five year balloon; prime minus 2% at time of closing (currently 5.75%); co-proportional fourth position on all accounts receivable, inventory, machinery and equipment; personal guarantees of the principles; contingent upon approval of financing from NCA, JCIDA, DANC and bank financing; liability insurance listing the WLDC as mortgagee and loss payee; seconded by Mrs. Cleaves. Mrs. Huttemann-Kall abstained. Approved.

Watertown Family YMCA, Inc. – The Loan Review Committee met and recommends approval of a loan to the Watertown Family YMCA, Inc. in the amount of \$200,000 to purchase real estate (former Ultimate Goal facility) known as the Fairgrounds YMCA. Total project cost is \$1,693,500.

Mr. Rutherford stated that the YMCA took over operation of the Ultimate Goal and renamed it the Fairgrounds YMCA. The YMCA track record in the area of economic development and job creation shows the value of a well placed investment. The facility is currently designed with two indoor soccer/lacrosse fields, a gymnasium and secondary activities. Currently the YMCA has proven its track record of job creation and its value to the community.

A motion was made by Mrs. Huttemann-Kall to approve the loan in the amount of \$200,000 to the Watertown Family YMCA, Inc. to be used to purchase the real estate known as the Fairgrounds YMCA with the following terms and conditions: 15 year amortization with a rate call every five years; prime minus 2% fixed for five years; co-equal second position on building; contingent upon bank and JCIDA financing, seconded by Mrs. Cleaves. Mr. Mills and Mrs. Corriveau abstained. Motion approved.

Activity Report – Mr. Rutherford's October activity report is attached.

NEW BUSINESS

Community A. L. Corporation – Don Alexander gave a brief overview of the Corporation's attempt to bring Assisted Living facility here. The New York State Department of Health is seeking applications for a portion of its newly allocated ALP beds with an application deadline of December 14, 2007. A consultant has been hired to put together an application and each of the members of the committee have been asked to come up with a pro-rata share of the initial costs which are about \$30,000. Mr. Alexander serves on an Ad Hoc Committee for Assisted Living and is requesting the support and financial assistance from the LDC.

A motion was made by Mrs. Corriveau, seconded by Mrs. Huttemann-Kall to approve \$2,500 to Community AL Corporation to help defray the cost of preparing and submitting the application to New York State for assisted living facilities. All in favor. Approved.

North Country Transitional Living Services, Inc. – President Schelleng stated Mayor Graham has requested the LDC assist North Country Transitional Living Services, Inc. with the costs associated with the renaming of City Center Drive. Attached is an outline of costs associated with the address change. North Country Transitional Living is the only business located on Black River Parkway and the change represents undue financial hardship for the business.

Mr. Rutherford stated the Loan Review Committee recommend making a loan to North Country Transitional Living at zero percent.

Mrs. Corriveau questioned how this request fits into the LDC's mission. President Schelleng stated the request does not fit into our mission and stated the board politely declines the request.

OLD BUSINESS

Spec Building Update – Mr. Rutherford stated that the fill located at the spec building site is not conducive for a sub-base and cannot be used for commercial development, therefore will have to be removed. Mr. Rutherford stated the fill would be good for housing and residential development and asked if anyone knew of someone who could utilize the fill.

Mrs. Corriveau stated she would get the contact information for Summit Woods to Mr. Rutherford. The board also stated Mr. Rutherford could contact the Builders Exchange.

NEXT BOARD MEETING – The next meeting will be held on Thursday, December 20, 2007 at 12:00 p.m. at Cavallario's Cucina.

ADJOURNMENT – A motion was made by Mrs. Corriveau, seconded by Mrs. Huttemann-Kall to adjourn the meeting. All in favor, approved. The meeting adjourned at 2:37 p.m.